Table 8. Installed Cost and Efficiency Ratings of Selected Equipment

Equipment Type	Relative Performance[1]	2002 Installed Cost ($2001)[2]	Efficiency[3]	2015 Installed Cost ($2001)[2]	Efficiency[3]	Approximate Hurdle Rate
Electric Heat Pump	Minimum	$2,930	10.0	$3,500	12.0	15%
	Best	$5,600	18.0	$5,600	18.0	
Natural Gas Furnace	Minimum	$1,300	0.80	$1,300	0.80	15%
	Best	$2,100	0.97	$2,000	0.97	
Room Air Conditioner	Minimum	$540	9.7	$540	9.7	140%
	Best	$760	11.5	$760	12.0	
Central Air Conditioner	Minimum	$2,080	10.0	$2,300	12.0	15%
	Best	$3,500	18.0	$3,500	18.0	
Refrigerator (18 cubic ft)	Minimum	$900	478	$600	478	19%
	Best	$650	460	$950	400	
Electric Water Heater	Minimum	$337	0.86	$500	0.90	83%
	Best	$1,200	2.60	$1,100	2.6	
Solar Water Heater	N/A	$3,200	2.0	$2,533	2.0	83%

[1]Minimum performance refers to the lowest efficiency equipment available. Best refers to the highest efficiency equipment available.

[2]Installed costs are given in 2001 dollars in the original source document.

[3]Efficiency measurements vary by equipment type. Electric heat pumps and central air conditioners are rated for cooling performance using the Seasonal Energy Efficiency Ratio (SEER); natural gas furnaces are based on Annual Fuel Utilization Efficiency; room air conditioners are based on Energy Efficiency Ratio (EER); refrigerators are based on kilowatt-hours per year; and water heaters are based on Energy Factor (delivered Btu divided by input Btu).

Source: Arthur D. Little, *EIA Technology Forecast Updates*, Reference Number 8675309, October 2001.